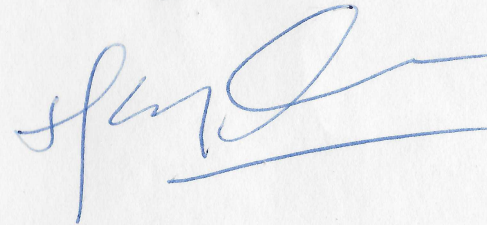


Action Advisory

Investment Ideas for today from Prudential-Bache Securities Inc.

form:

Thought you might like to see this.
Good luck in your new venture.



719900 REQ 3 NEWS STORIES 05/17/84 PG 1 OF 6
06:23 (WSJ) EIGHT COMMODORE INTERNATIONAL EXECUTIVES QUIT OR ARE FIRED

N.Y. -DJ- COMMODORE INTERNATIONAL LTD., STILL EMBROILED IN MAJOR PERSONNEL CHANGES, HAS IN THE PAST TWO WEEKS FIRED OR LOST EIGHT TOP-LEVEL PEOPLE, INCLUDING FOUR VICE PRESIDENTS.

THE DEPARTURES OCCURRED IN THE HOME COMPUTER COMPANY'S FINANCE, SOFTWARE, U.S. MANUFACTURING, FAR EAST AND ENGINEERING OPERATIONS. THE CHANGES COULD MOST AFFECT THE FAR EAST OPERATIONS, WHICH PRODUCE THE LOW-COST PARTS CRUCIAL TO THE INEXPENSIVE PRICING THAT HAS ENABLED COMMODORE TO DOMINATE THE HOME COMPUTER MARKET.

AMONG THE EXECUTIVES LEAVING ARE THE FINANCE VICE PRESIDENT, ..MORE

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NEWS STORIES

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BERNHARD WITTER; THE U.S. VICE PRESIDENT OF MANUFACTURING AND ASSEMBLY, GREGG PRATT; TARO [TONY] TOKAI, VICE PRESIDENT IN CHARGE OF THE JAPAN UNIT, AND TECHNOLOGY VICE PRESIDENT LLOYD TAYLOR.

ALSO DEPARTING IS SAM TRAMIEL, GENERAL MANAGER OF JAPAN OPERATIONS AND THE SON OF COMMODORE'S FOUNDER, JACK TRAMIEL, WHO ABRUPTLY RESIGNED AS PRESIDENT IN JANUARY.

THE RESIGNATIONS, OR FIRINGS -- COMMODORE WON'T SAY WHICH--OF TOKAI, PRATT AND THE YOUNGER TRAMIEL WERE VIEWED AS PARTICULARLY IMPORTANT BY SOME COMMO DORE-WATCHERS. ONE COMMODORE ALUMNUS DESCRIBED PRATT AS ..MORE

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NEWS STORIES

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[THE LINCHPIN OF THE U.S. OPERATIONS, THE NO. 1 GUY WHEN IT CAME TO MAKING DAY-TO-DAY ACTIVITIES COME TOGETHER.] TOKAI AND TRAMIEL OVERSAW THE BUYING OF PARTS IN JAPAN, AN INCREASINGLY SIGNIFICANT SUPPLY SOURCE FOR THE COMPANY.

COMMODORE, WHICH DIDN'T ANNOUNCE THE MOST RECENT DEPARTURES BUT CONFIRMED THEM WHEN ASKED, SAID THE MOVES ARE PART OF A STREAMLINING OF OPERATIONS.

[THE INTERNAL RESTRUCTURING THAT HAS BEEN IMPLEMENTED HAS STREAMLINED AND TIGHTENED UP THE ORGANIZATION,] SAID MARSHALL F. SMITH, WHO TOOK OVER AS PRESIDENT AND CHIEF EXECUTIVE OFFICER FEB. 21. [MOST IMPORTANTLY, THESE CHANGES HAVE SHORTENED OUR LINES OF COMMUNICATION.] ..MORE

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NEWS STORIES

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HE SAID THAT [MANY OF THE CHANGES WERE INITIATED BY THE COMPANY, [AND STRESSED THAT THERE HASN'T BEEN ANY RESHUFFLING [IN OUR VERY STRONG EUROPEAN COMPANY AND OUR U.S. SEMICONDUCTOR OPERATIONS, [WHICH HE DESCRIBED AS [THE GUTS [OF THE BUSINESS.

BUT A COMMODORE INSIDER REJECTED THE NOTION THAT THE COMPANY ORCHESTRATED THE SHAKE-UP. [THESE PEOPLE ARE BAILING OUT--THAT'S WHY IT'S IN EVERY DEPARTMENT. THEY'RE DISENCHANTED WITH NEW MANAGEMENT. IT DOESN'T LISTEN TO THE YOUNGER MANAGERS, AND THESE GUYS CONTRIBUTED VERY HEAVILY TO THE COMPANY, [THE INSIDER SAID. ..MORE

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NEWS STORIES

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SMITH WOULDN'T COMMENT ON SPECULATION OVER WHICH EXECUTIVES WERE FORCED OUT AND WHICH LEFT ON THEIR OWN. HE SAID SOME DEPARTURES MAY HAVE RESULTED FROM HIS DECISION IN THE PAST 10 DAYS TO COMBINE JAPAN AND HONG KONG OPERATIONS UNDER VICE PRESIDENT ROBERT GLEADOW, DESCRIBED AS A 10-YEAR COMMODORE VETERAN WHO WAS A GENERAL MANAGER OF HONG KONG OPERATIONS.

BUT SOME FIRINGS OR RESIGNATIONS APPEAR TO BE UNRELATED TO THE FAR EAST CONSOLIDATION. IN ADDITION TO THE EXIT OF THE FOUR VICE PRESIDENTS AND THE YOUNGER TRAMIEL, COMMODORE ALSO HAS LOST SHARAZ SCHIVJI, AN ENGINEERING MANAGE INVOLVED IN PRODUCT DEVELOPMENT; MICHAEL TOMCZEK, A MANAGER IN THE ..MORE

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SOFTWARE GROUP; AND JOHN FEAGANS, WHOSE TITLE WAS DIRECTOR OF SOFTWARE TECHNOLOGY.

FEAGANS SAID HE LEFT COMMODORE TWO WEEKS AGO TO START A SOFTWARE COMPANY WITH ANOTHER TRAMIEL SON, LEONARD. WITTER, PRATT AND SCHIVJI DIDN'T RETURN CALLS SEEKING FOR COMMENT. TOKAI AND SAM TRAMIEL WEREN'T AVAILABLE. TOMCZYK REFUSED COMMENT.

BROADTAPE 8 34 AM MAY 17

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Business/General News

Markets • Religion

Tramiel resigns from Commodore

President cites 'personal reasons' for leaving

Staff and Wire Reports

NEW YORK — Jack Tramiel, a man who views business "as war," resigned unexpectedly Friday as president of Commodore International Ltd., the leading home computer manufacturer.

A Commodore statement released in New York quoted Tramiel as saying "personal reasons prevent my continuing on a full-time basis with Commodore. I will do everything possible to assist the company in this transition."

Irving Gould, the Commodore chairman, said Tramiel had agreed to stay on as a consultant to the company, which moved its executive offices from Santa Clara to Norristown, Pa., four years ago.

The 55-year-old Tramiel, a shrewd, autocratic man, spearheaded last year's home computer price wars that squeezed competitors such as Atari and Texas Instruments hard. His philosophy was to provide computers to the masses using a

marketing approach that resembled all-out warfare.

Tramiel's resignation surprised some industry analysts.

Egil Juliussen, chairman of the research firm Future Computing Inc. of Richardson, Texas, said Tramiel "has really been a tremendous key to Commodore's success."

The company's earnings from operations and sales more than doubled in its latest fiscal year ended June 30.

"It will be very difficult to replace Jack Tramiel," Juliussen said. "He is the kind of person who had a finger in almost everything. Now that leadership is at least partly gone."

Gould said Commodore directors had "reached an understanding" with a successor to Tramiel but provided no details. Gould said the successor would be identified as soon as a formal employment agreement is achieved.

Under Tramiel, Commodore took the

lead in the home computer market, first with its \$90 VIC-20 model, then with its \$200 Model 64. At the Consumer Electronics show last week in Las Vegas, Tramiel previewed two new models — the C264 and CV364 — for the news media.

Juliussen said it was too early to tell if Tramiel's departure would hurt Commodore's financial performance. "It may not hurt, but it certainly could."

Alexander Stein, a computer industry analyst at Dataquest Inc. of San Jose, said Commodore may not need Tramiel's price-cutting style in 1984.

In 1984, said Stein, "it's going to be a matter of managing the market, not capturing one." In that sense, Stein said, production efficiency, managing product life cycles and educating consumers would be more important than price-cutting.



Jack Tramiel
... a surprising departure

Continued on Page 5C

... added that Commodore would undoubtedly be different without Tramiel. "It will be much less entrepreneurial," he said.

Commodore's announcement came late in the day, reaching the stock market at the close of trading. Commodore ended the day down \$1 on the New York Stock Exchange, to \$47.75 a share.

When Commodore moved from Silicon Valley to Pennsylvania, Tramiel said he was moving the company to "where the action is." Besides, he added, "it is hard to attract and keep personnel in Silicon Valley."

Tramiel was born in Poland and once was a pris-

oner in the United States in 1945, joined the Army, and afterward started a business repairing and reconditioning typewriters in New York City.

In 1955, Tramiel joined friends and family in Toronto, where he obtained a license to assemble typewriters in Canada. The company went public in 1962 as Commodore Business Machines, Canada, Ltd. Tramiel was the president. When a finance company with close ties to Tramiel's company went bankrupt in 1965, Tramiel was investigated, though never charged with wrongdoing, by a Canadian Royal Commission.